



# Super Co-contribution

This fact sheet will help you to understand how the Super Co-contribution works and if you are eligible to receive it.

**!** This fact sheet replaces older editions as from 1 July 2004 due to amendments to the law.

## WHAT IS THE SUPER CO-CONTRIBUTION?

The Super Co-contribution is a helping hand from the Australian Government to assist eligible individuals to save for their retirement. If you are eligible and make personal superannuation contributions, the Government will match your contribution with a Super Co-contribution up to certain limits.

## HOW DOES IT WORK?

If you earn less than \$58,000 a year, make personal superannuation contributions and are otherwise eligible, the Government will give you a helping hand with the Super Co-contribution.

It means that if your total income for tax purposes (assessable income plus reportable fringe benefits) is \$28,000 or less a year, the Government will now put in \$1.50 for every \$1 you put into your superannuation, up to a maximum Super Co-contribution of \$1,500 a year.

## ARE YOU ELIGIBLE FOR THE SUPER CO-CONTRIBUTION?

The eligibility criteria for the Super Co-contribution have now been widened to include more people.

You will be eligible for the Super Co-contribution in a year of income if:

- you make personal superannuation contributions to a complying superannuation fund or a retirement savings account (RSA)
- your total income (assessable income plus reportable fringe benefits) is less than \$58,000
- 10% or more of your total income is from eligible employment
- you do not hold an "eligible temporary resident visa" at any time during the year
- you lodge an income tax return for the year of income, and
- you are less than 71 years old at the end of the year of income.

## WHEN DOES IT START?

The Super Co-contribution started on 1 July 2003 and replaced the tax offset for personal superannuation contributions. During the 2003–04 year the way the Super Co-contribution is calculated was amended, increasing Super Co-contribution amounts and making more people eligible by increasing income thresholds. These amendments have now become law and apply from 1 July 2004.

## EXAMPLE

When your income is more than \$28,000 but less than \$58,000 in a year of income, your Super Co-contribution will be adjusted based on your income and how much you personally contribute. For example, if you are eligible, your income is \$42,000 and you make personal superannuation contributions of \$1,000 during the relevant year, you will be entitled to a Super Co-contribution of \$800.

	From 1 July 2004, if your personal super contribution is:			
	\$1,000	\$800	\$500	\$200
And your income is:	Your Super Co-contribution will be:			
\$28,000 or less	\$1,500	\$1,200	\$750	\$300
\$30,000	\$1,400	\$1,200	\$750	\$300
\$32,000	\$1,300	\$1,200	\$750	\$300
\$34,000	\$1,200	\$1,200	\$750	\$300
\$36,000	\$1,100	\$1,100	\$750	\$300
\$38,000	\$1,000	\$1,000	\$750	\$300
\$40,000	\$900	\$900	\$750	\$300
\$42,000	\$800	\$800	\$750	\$300
\$44,000	\$700	\$700	\$700	\$300
\$46,000	\$600	\$600	\$600	\$300
\$48,000	\$500	\$500	\$500	\$300
\$50,000	\$400	\$400	\$400	\$300
\$52,000	\$300	\$300	\$300	\$300
\$54,000	\$200	\$200	\$200	\$200
\$56,000	\$100	\$100	\$100	\$100
\$58,000	\$0	\$0	\$0	\$0

## YOUR QUESTIONS ANSWERED

### HOW IS MY INCOME ASSESSED?

To be eligible to receive the Super Co-contribution your total income needs to be less than the threshold in any income year. Total income represents your assessable income plus your reportable fringe benefits.

### MY INCOME IS LESS THAN \$58,000 A YEAR NOW, WHAT HAPPENS IF I EARN MORE THAN THAT?

To be eligible for the Super Co-contribution, your income needs to be less than \$58,000 for the relevant income year. For each year that your income is less than \$58,000, you meet the eligibility requirements and make personal superannuation contributions, you will receive the Super Co-contribution. You won't be eligible for the Super Co-contribution for any particular year where your income is more than \$58,000 for the income year.

### DO I NEED TO APPLY FOR THE SUPER CO-CONTRIBUTION?

You do not need to apply for the Super Co-contribution. If you are otherwise eligible, all you need to do is make personal superannuation contributions to your superannuation fund and lodge an income tax return.

The Tax Office will use the information on your income tax return and contribution information from your superannuation fund or RSA to work out whether you are eligible. If you are, we will automatically calculate the Super Co-contribution amount and deposit it into your superannuation account.

### WHEN WILL MY SUPER CO-CONTRIBUTION BE PAID?

Your Super Co-contribution will be calculated after you have lodged your tax return and we have received contribution information from your superannuation fund. Most superannuation funds are required to report to us by 31 October following the end of the financial year.

As long as you make personal superannuation contributions and meet the eligibility requirements, the Super Co-contribution will be paid in to your superannuation account each year.

### WHAT IS PERSONAL SUPERANNUATION?

Personal superannuation contributions are the amounts you choose to contribute to your superannuation fund or RSA from your after tax income. This is in addition to any employer contributions and any contributions made through a salary sacrifice arrangement.

### OUR COMMITMENT TO YOU

The information in this publication is current at July 2004.

In the taxpayers' charter we commit to giving you information and advice you can rely on. If you try to follow the information contained in our written general advice and publications, and in doing so you make an honest mistake, you won't be subject to a penalty. However, as well as the underpaid tax, we may ask you to pay a general interest charge.

We make every effort to ensure that this information and advice is accurate. If you follow our advice, which subsequently turns out to be incorrect, or our advice is misleading and you make a mistake as a result, you won't be subject to a penalty or a general interest charge although you'll be required to pay any underpaid tax.

If you feel this publication does not fully cover your circumstances, please seek help from the Tax Office or a professional adviser. Since we regularly revise our publications to take account of any changes to the law, you should make sure this edition is the latest. The easiest way to do this is by checking for a more recent version on our website at [www.ato.gov.au](http://www.ato.gov.au)

### HOW DO I MAKE A PERSONAL CONTRIBUTION TO MY SUPERANNUATION FUND?

Your superannuation fund will be able to tell you how to best make personal contributions. Most funds offer different options for making contributions including BPAY<sup>®</sup>, direct debit or through your bank account. In some cases, you may be able to deposit a certain amount into your superannuation account directly from your pay – talk to your employer or paymaster.

### CAN I MAKE PERSONAL SUPERANNUATION CONTRIBUTIONS INTO THE SAME FUND AS MY EMPLOYER CONTRIBUTIONS?

You should check with your current superannuation fund or RSA to make sure they accept personal contributions.

### HOW WILL I KNOW THAT MY SUPER CO-CONTRIBUTION HAS BEEN PAID?

The Tax Office will send you a letter with details about your Super Co-contribution amount after it has been deposited into your superannuation account. Unless you nominate a particular superannuation account to us, your Super Co-contribution will usually be paid into the account where you make your personal superannuation contributions, providing that fund or RSA will accept the Super Co-contribution.

#### ➤ MORE INFORMATION

For more information you can:

- visit our website at [www.ato.gov.au/super](http://www.ato.gov.au/super), or
- phone our information line on **13 10 20** between 8.00am and 6.00pm Monday to Friday.

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone **13 36 77**. If you do not have access to TTY or modem equipment, phone the Speech to Speech Relay Service on **1300 555 727**.

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